

EC1PREP

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

4 v.

14 CR 550 (PKC)

5 JOHN RE,

6 Defendant.

7 -----x  
8 New York, N.Y.  
9 December 1, 2014  
10 12:39 p.m.

11 Before:

12 HON. P. KEVIN CASTEL,

13 District Judge

14 APPEARANCES

15 PREET BHARARA,

16 United States Attorney for the  
Southern District of New York

17 BY: ANDREW ADAMS

18 Assistant United States Attorney

19 CHRISTOPHER FLOOD

20 ANNALISA MIRON

Attorneys for Defendant

21 ALSO PRESENT: MEREDITH SAVONA, FBI  
22 DETECTIVE BRETT CARLSON  
23  
24  
25

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1 (In open court)

2 (Case called)

3 MR. ADAMS: Good afternoon, your Honor. Andrew Adams  
4 for the United States, and with me at counsel table is Special  
5 Agent Meredith Savona of the Federal Bureau of Investigations,  
6 and Detective Brett Carlson of the Suffolk County Police  
7 Department.

8 THE COURT: All right. Good afternoon to you all.  
9 And for the defendant?

10 MS. MIRON: Federal Defenders by Annalisa Miron and  
11 Christopher Flood, on behalf of John Re.

12 THE COURT: All right. Good afternoon to both of you,  
13 and afternoon, Mr. Re.

14 THE DEFENDANT: Good afternoon.

15 THE COURT: Mr. Re, I've been advised that you wish to  
16 enter a plea of guilty to Count One of the indictment; is that  
17 correct, sir?

18 THE DEFENDANT: That's correct, your Honor.

19 THE COURT: All right. Before I can accept the guilty  
20 plea from you, I must satisfy myself that you understand the  
21 rights you would have if this case went to trial and the rights  
22 you're giving up by pleading guilty. Also, that there's a  
23 factual basis for your plea of guilty and that you understand  
24 the consequences of pleading guilty.

25 So in a minute I'm going to have the clerk administer

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1 the oath to you. After I administer the oath, I'm going to  
2 inform you of certain rights and ask you certain questions. If  
3 I ask you something or I tell you something and you don't quite  
4 understand, please let me know, and I'll put it into different  
5 words. Also, if at any time today you wish to speak in private  
6 with your lawyers, I'll give you an opportunity to do that. Do  
7 you understand all of that?

8 THE DEFENDANT: Yes, sir.

9 THE COURT: All right. Please stand and the clerk  
10 will administer the oath.

11 (Defendant sworn)

12 THE COURT: All right. Please state your full name  
13 for the record.

14 THE DEFENDANT: John Darren Re.

15 THE COURT: All right. You are under oath, Mr. Re,  
16 and your answers to my questions are subject to the penalties  
17 of perjury or of making a false statement if you do not answer  
18 truthfully. Also, any statement you make today may be used in  
19 any such prosecution. Do you understand that?

20 THE DEFENDANT: Yes, sir.

21 THE COURT: How old are you?

22 THE DEFENDANT: 54.

23 THE COURT: How far did you go in school?

24 THE DEFENDANT: I got my G.E.D.

25 THE COURT: All right. Are you now or have you

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1 recently been under the care of a medical doctor?

2 THE DEFENDANT: Yes, sir.

3 THE COURT: For what condition?

4 THE DEFENDANT: Dissociative identity disorder.

5 THE COURT: All right. And do you take any  
6 medications for that?

7 THE DEFENDANT: I take three different kinds of  
8 medications.

9 THE COURT: And what are those medications?

10 THE DEFENDANT: Klonopin, Latuda and Seroquel.

11 THE COURT: All right. Do they affect the clarity of  
12 your thinking?

13 THE DEFENDANT: Sometimes they make things more clear.

14 THE COURT: All right. How do you feel today?

15 THE DEFENDANT: Nervous.

16 THE COURT: Is your mind clear?

17 THE DEFENDANT: I hear what you're saying.

18 THE COURT: Well, that's a somewhat different  
19 question.

20 THE DEFENDANT: I understand.

21 THE COURT: Pardon me?

22 THE DEFENDANT: I understand.

23 THE COURT: But would you prefer to adjourn this  
24 proceeding to another day?

25 THE DEFENDANT: No, sir.

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1 THE COURT: You say sometimes the medication makes you  
2 think more clearly. Are you taking the medication on a regular  
3 basis?

4 THE DEFENDANT: Yes, I have been.

5 THE COURT: All right. And you did, in fact, take  
6 your medication on schedule prior to coming here today?

7 THE DEFENDANT: Yes.

8 THE COURT: And is your mind clear today?

9 THE DEFENDANT: I understand what's being said  
10 clearly.

11 THE COURT: All right. And are you able to process  
12 what's being said to you?

13 THE DEFENDANT: Yes.

14 THE COURT: All right. Have you ever been treated for  
15 any other mental illness?

16 THE DEFENDANT: Yes.

17 THE COURT: What other mental illness?

18 THE DEFENDANT: I have been committed, and I don't  
19 remember what the diagnoses was.

20 THE COURT: How long ago were you committed?

21 THE DEFENDANT: First time was in the '80s. The  
22 second time was in the '90s somewhere. I have no recollection  
23 of the actual year.

24 THE COURT: All right. And approximately how long  
25 were each of those commitments?

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1 THE DEFENDANT: Weeks.

2 THE COURT: All right. And when you say weeks, was it  
3 less than a month?

4 THE DEFENDANT: One was a little more, one was less.

5 THE COURT: All right. Okay. Do you have any other  
6 conditions, physical or mental?

7 THE DEFENDANT: No.

8 THE COURT: All right. Let me inquire of Ms. Miron.  
9 You've had occasion to communicate with your client from time  
10 to time. Do you have a view as to whether or not he is  
11 competent to enter an informed plea today?

12 MS. MIRON: Your Honor, Mr. Flood and I have  
13 communicated extensively with Mr. Re. We are confident that he  
14 is competent to enter the plea.

15 THE COURT: All right. And, Mr. Flood, your  
16 observations, sir?

17 MR. FLOOD: Your Honor, I concur completely with  
18 Ms. Miron.

19 THE COURT: All right. And is the government aware of  
20 any reason why this Court should not find Mr. Re competent to  
21 enter an informed plea?

22 MR. ADAMS: No, your Honor.

23 THE COURT: All right. Based upon my observations of  
24 Mr. Re, the statement of his counsel, his responses to my  
25 questions, I find that he is fully competent to enter an

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1 informed plea.

2 Now, Mr. Re, have you, in fact, discussed the charges  
3 against you with your lawyers, Miss Miron and Mr. Flood?

4 THE DEFENDANT: Yes, I have.

5 THE COURT: Have you had enough time to consider all  
6 of your options in this case?

7 THE DEFENDANT: Yes, I have.

8 THE COURT: Are you satisfied with your lawyers'  
9 representation of you?

10 THE DEFENDANT: Yes, I am.

11 THE COURT: All right. I'm now going to explain to  
12 you the rights that you would have if this case went to trial  
13 and the rights you are giving up by pleading guilty. Under the  
14 Constitution and laws of the United States, you are entitled to  
15 a speedy and public trial by an impartial jury on the charges  
16 contained in the indictment. Do you understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: At such a trial, you would not have to  
19 prove that you were innocent. The government would be required  
20 to prove each element of each crime by proof beyond a  
21 reasonable doubt before you could be found guilty. A jury of  
22 12 people would have to agree unanimously that you were guilty.  
23 Do you understand all that?

24 THE DEFENDANT: Yes.

25 THE COURT: If there were a trial, at every stage of

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1 your case, you would be entitled to be represented by a lawyer,  
2 and if you could not afford a lawyer, one would be appointed at  
3 public expense. Do you understand all of that?

4 THE DEFENDANT: Yes.

5 THE COURT: If there were a trial, the witnesses for  
6 the government would have to come to court to testify. You  
7 would be able to see and hear them. Your lawyer could question  
8 them through cross-examination. Your lawyer could object to  
9 evidence presented by the government. Your lawyer could  
10 present evidence and could ask the Court to compel witnesses to  
11 appear at trial on your behalf. Do you understand all of that?

12 THE DEFENDANT: Yes, I do.

13 THE COURT: If there were a trial, you would have the  
14 right to testify, if you chose to do so. You could come up  
15 here and take the witness stand. Also, you would have the  
16 right not to testify, and no one would be permitted to draw any  
17 inference or suggestion of guilt from the fact that you decided  
18 not to testify. Do you understand all of that?

19 THE DEFENDANT: Yes.

20 THE COURT: If there were a trial and the jury found  
21 you guilty, you would have a right to appeal that finding. Do  
22 you understand that?

23 THE DEFENDANT: Yes.

24 THE COURT: Now, those are the rights you would have  
25 if you went to trial. If you plead guilty and I accept that



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1 guilty plea, there will be no trial. You will proceed to the  
2 sentencing phase in which the Court will determine the  
3 punishment to be imposed upon you. You will have a right to an  
4 attorney throughout that process. Do you understand all that?

5 THE DEFENDANT: Yes.

6 THE COURT: Even now, you have the right to change  
7 your mind. Instead of pleading guilty, you may plead not  
8 guilty and go to trial. Do you wish to plead not guilty and go  
9 to trial?

10 THE DEFENDANT: No.

11 THE COURT: All right. Do you understand that you are  
12 charged in Count One of the indictment with the crime of wire  
13 fraud and that the maximum penalty for that crime is 20 years'  
14 imprisonment, three years' supervised release, a maximum fine  
15 of the greatest of \$250,000 or twice the gross monetary or  
16 pecuniary gain derived from the offense or twice the gross  
17 pecuniary loss to persons other than yourself resulting from  
18 the offense and a \$100 mandatory special assessment. Do you  
19 understand all of that?

20 THE DEFENDANT: Yes.

21 THE COURT: In addition, the Court must order that you  
22 make restitution to any person who I find was injured by reason  
23 of your conduct. Do you understand that?

24 THE DEFENDANT: Yes.

25 THE COURT: Miss Miron, is your client intending to

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1 admit the forfeiture allegations in paragraphs 2 and 3 today?

2 MS. MIRON: He is.

3 THE COURT: All right. Thank you.

4 Now, I mentioned that in addition to a maximum penalty  
5 of 20 years' imprisonment, there is also the possibility of  
6 three years' supervised release, and supervised release governs  
7 the period after you complete a term of imprisonment.

8 So say you receive a prison term, followed by a term  
9 of three years' supervised release, and you live up to the  
10 terms of supervised release for two years, but then you violate  
11 one of the terms, you can be returned to prison for a full  
12 period of three years. Do you understand that, sir?

13 THE DEFENDANT: Yes, I do.

14 THE COURT: Are you a United States citizen?

15 THE DEFENDANT: Yes, I am.

16 THE COURT: One of the consequences of pleading guilty  
17 is that you may give up other valuable civil rights, such as  
18 the right to vote, to hold public office, to sit on a jury, to  
19 possess a firearm, to hold certain licenses, to obtain certain  
20 government benefits. Do you understand all that?

21 THE DEFENDANT: Yes, I do.

22 THE COURT: Are you serving any other sentence, state  
23 or federal, or being prosecuted in any other court for any  
24 other crime?

25 THE DEFENDANT: No.

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1 MS. MIRON: Your Honor, just one moment.

2 THE COURT: Sure.

3 (Pause)

4 THE DEFENDANT: Your Honor, there is one other thing  
5 that I didn't think about as criminal, it's the tax evasion  
6 charge like from the State, and I have to deal with them with  
7 that. I haven't negotiated anything with them yet, but that  
8 will come in the future.

9 THE COURT: All right. The important thing for you to  
10 understand, Mr. Re, is any punishment you receive from that  
11 case is wholly separate and apart from any punishment you  
12 receive in this case.

13 This Court will impose a sentence on you, and that  
14 sentence will have nothing to do with the State Court sentence.  
15 There will be no credit, no concurrent term or the like from  
16 this court, and you should understand that. Do you understand  
17 that, sir?

18 THE DEFENDANT: Yes.

19 THE COURT: Okay. In sentencing you, I will receive a  
20 presentence report prepared by the Office of Probation that  
21 gives me background information and a recommended range of  
22 sentence under the sentencing guidelines.

23 After hearing from your lawyers and from the  
24 government, I will make my own determination of the correct  
25 guideline range that applies in this case. Even after

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1 determining the correct guideline range, I need not follow it  
2 and can sentence you all the way up to the statutory maximum.

3 The guidelines are advisory, and they are not binding  
4 on the Court. They are one of the factors that the Court takes  
5 account of under the sentencing statute, which is commonly  
6 known as section 3553(a). Do you understand all that?

7 THE DEFENDANT: I understand what you're saying.

8 THE COURT: All right. And have you discussed how  
9 sentencing works with your lawyers?

10 THE DEFENDANT: Yes, some. Somewhat, yes.

11 THE COURT: All right. Do you have any questions for  
12 me on the sentencing process?

13 THE DEFENDANT: I don't know, your Honor. It's a lot  
14 for me. I'm just trying to --

15 THE COURT: All right. Well, why don't we take a  
16 five-minute recess, and you can discuss this with your lawyers.  
17 And if you have any questions for me, I'd be pleased to answer  
18 them. All right?

19 THE DEFENDANT: Thank you.

20 THE COURT: So let's take five minutes.

21 (Recess)

22 THE COURT: All right. Please be seated. We took a  
23 little bit longer recess, but my question is now, Mr. Re, have  
24 you had a chance to speak with your lawyers, and have you, in  
25 fact, spoken with your lawyers on the subject of how sentencing

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1 works?

2 THE DEFENDANT: Yes, I have.

3 THE COURT: All right. Do you have any questions for  
4 me at this stage?

5 THE DEFENDANT: At this stage, no, your Honor.

6 THE COURT: All right. If at any point today you have  
7 any questions for me, I would very much appreciate it if you  
8 would just tell me, and I will do my best to answer the  
9 question.

10 THE DEFENDANT: Okay.

11 THE COURT: All right. Now, I understand there's been  
12 a plea agreement between you and the government, and that it is  
13 set forth in a six-page letter agreement on the letterhead of  
14 the U.S. Department of Justice dated November 19, 2014, and  
15 addressed to Annalisa Miron. I'm going to ask the clerk to  
16 place that document in front of you. And the question is: Is  
17 that your plea agreement with the government?

18 THE DEFENDANT: Yes.

19 THE COURT: All right. Is that your signature on the  
20 last page?

21 THE DEFENDANT: Yes.

22 THE COURT: Did you read the plea agreement before you  
23 signed it?

24 THE DEFENDANT: I had read it earlier.

25 THE COURT: Yes. And did you discuss it with your

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1 lawyer before you signed it?

2 THE DEFENDANT: Yes.

3 THE COURT: Did you ask questions about it before you  
4 signed it?

5 THE DEFENDANT: Yes.

6 THE COURT: Did you understand it before you signed  
7 it?

8 THE DEFENDANT: Maybe not as well as a lawyer, but I  
9 understood it in a layman's terms.

10 THE COURT: All right. Has anyone threatened you or  
11 forced you in any way to enter into the plea agreement or to  
12 plead guilty?

13 THE DEFENDANT: No.

14 THE COURT: Has anyone given you anything of value,  
15 any inducements to enter into the plea agreement or to plead  
16 guilty?

17 THE DEFENDANT: No.

18 THE COURT: Does the plea agreement contain all of  
19 your understandings with the government?

20 THE DEFENDANT: Yes.

21 THE COURT: All right. Let me ask Ms. Miron, if you  
22 would kindly state for the record the review process.

23 MS. MIRON: Yes, your Honor. Mr. Re, who lives in  
24 East Hampton came to our office last week. We discussed the  
25 plea agreement. He read it. I discussed it with him, reviewed

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1 the important provisions, asked if there were any questions.  
2 He did have some questions, and we answered those. So I'm  
3 confident that he understands the provisions in the plea  
4 agreement.

5 THE COURT: Thank you. I want you to know, Mr. Re,  
6 that any prediction, calculation or estimate that anyone has  
7 made to you, including your own lawyers, as to what sentence  
8 the Court may give you is not binding on the Court, and if it  
9 turns out to be wrong, you will not be permitted to withdraw  
10 your guilty plea. Do you understand that?

11 THE DEFENDANT: Yes.

12 THE COURT: Now, one of the features of your agreement  
13 with the government is that you and the government have agreed  
14 on a stipulated guideline range that applies in this case and,  
15 indeed, that stipulated guideline range, insofar as it relates  
16 to imprisonment, is a range of 37 months' to 46 months'  
17 imprisonment. Is that correct?

18 THE DEFENDANT: To my knowledge, yes.

19 THE COURT: All right. That agreement is binding on  
20 you and it's binding on the government, but it's not binding on  
21 the Court. As I said to you before, I have my own duty to  
22 calculate the guidelines that apply in your case and even after  
23 determining those guidelines, I need not follow them. I can  
24 sentence all the way up to the statutory maximum.

25 One of the features of your plea agreement with the

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1 government is that if I should sentence you within the  
2 stipulated guideline range set forth in the plea agreement, 37  
3 to 46 months or above that range, the government has agreed not  
4 to appeal the sentence. But you have agreed that if I sentence  
5 you to a term of 37 months' imprisonment or anything up to 46  
6 months' imprisonment, that you will -- or if I sentence you  
7 below that range, so if I sentence you to something less than  
8 37 months in prison, that you will not appeal or collaterally  
9 attack the sentence in any other proceeding.

10 So in other words, you have waived your right to  
11 appeal a sentence, unless the sentence is more than 46 months'  
12 imprisonment, the imprisonment part is more than 46 months and,  
13 in that event, the law will only allow you to appeal on the  
14 basis that the sentence is unreasonable or contrary to law. Do  
15 you understand all of that?

16 THE DEFENDANT: Yes, I do.

17 THE COURT: All right. Do you have any questions  
18 about any of that?

19 THE DEFENDANT: No, sir.

20 THE COURT: Okay. Now, I'm going to have the  
21 government attorney set forth the elements of the crime to  
22 which you have offered to plead guilty, and these are the  
23 elements that the government must prove beyond a reasonable  
24 doubt, and I will also ask the government to tell me how the  
25 government would go about proving the case.



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1 MR. ADAMS: Your Honor, with respect to the elements  
2 of wire fraud, there are three. First, that there was a scheme  
3 or artifice to defraud or to obtain money or property by  
4 materially false and fraudulent pretenses, representations or  
5 promises; second, that the defendant knowingly and willfully  
6 participated in that scheme or artifice to defraud with  
7 knowledge of its fraudulent nature and specific intent to  
8 defraud; and, third, that in the execution of that scheme, the  
9 defendant used or caused the use of interstate wires.

10 Were this case to go to trial, the nature of the  
11 government's testimony and evidence would be as follows:  
12 First, witness testimony regarding the Schulte household, that  
13 is the household at which Mr. Re claims to have found a large  
14 trove of purportedly very valuable paintings. What we would  
15 put on would be testimony from numerous witnesses, as well as  
16 documents from the estate of George Schulte demonstrating that  
17 no such paintings were ever in that house and that provenance  
18 for those paintings was fabricated.

19 Second, and perhaps the most voluminous part of the  
20 government's case, would be e-mail correspondence between  
21 Mr. Re and others demonstrating, among other things, his  
22 attempt to sell those paintings and such paintings using the  
23 fabricated provenance, his attempt to have others engage in  
24 what we would call shell bidding. That is, to go onto online  
25 auction sites and to raise the public price of these paintings

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1 by putting bids on the painting that the bidder had no  
2 intention of actually paying for the purpose of increasing the  
3 perception of value.

4 We would also be putting on e-mail evidence  
5 demonstrating Mr. Re's repeated use of the false provenance.  
6 We would put on the result of expert testing of approximately  
7 of over 40 different Jackson Pollack paintings, which uniformly  
8 came back negative, as well as recordings of Mr. Re and his  
9 victims discussing those test results at a time before Mr. Re  
10 ceased attempting to sell Jackson Pollacks using the same  
11 provenance. Thank you.

12 THE COURT: Mr. Re, please tell me in your own words  
13 what you did that leads you to believe that you are guilty of  
14 the crime charged in Count One of the indictment?

15 THE DEFENDANT: Yes, sir. Sometime not too long  
16 before 2005, I acquired artwork that I bought in a storage unit  
17 in Manhattan. I was not given any information as to the origin  
18 of the artwork from the storage unit manager. Being a  
19 woodworker at the time, I had several people with expertise  
20 view the artwork. They told me that it was possibly attributed  
21 to Jackson Pollack and William DeKooning.

22 Previous to that, I had been employed at a shop that  
23 was previously owned by George Schulte before he had died in  
24 1996, of East Hampton Springs, New York, who I thought possibly  
25 knew Jackson Pollack in the late '40s and early '50s. I

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1 thought to represent to the buyers that the artwork came from  
2 the George Schulte basement, being a feasible origin, even  
3 though, in fact, it did not. I knew the buyers would purchase  
4 the artwork with more confidence having, given it a possible  
5 provenance, that it had the possibilities of giving a  
6 connection to the artist.

7 There were several buyers who purchased artwork  
8 through eBay and PayPal, also.

9 Your Honor, I'm not going to sit here and claim that  
10 making up the Schulte provenance was out of ignorance. It was  
11 out of arrogance, and my misconduct has brought shame to my  
12 family and myself, and I hurt other people. Mostly, I think  
13 about the people that are angry that have spent money, and I  
14 want to make it better. I don't know if I can. I don't expect  
15 by saying that I'm sorry will make a difference. However, in  
16 my heart, I'm more than sorry.

17 Some of my family has not spoken to me since I've  
18 gotten in trouble, and that has hurt me almost as deeply as the  
19 people that bought the pieces. I want to make it better. I  
20 even went so far as to, when I had the ability, I wanted to  
21 give collector No. 1 back what he had paid, but he didn't want  
22 to give the pieces back. And I still want to try and do  
23 whatever I can to take responsibility for what I did.

24 THE COURT: Thank you, Mr. Re. Let me hear from the  
25 government on venue.

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1 MR. ADAMS: Yes, your Honor. Venue in this case is  
2 founded on a number of things, primarily, the location of  
3 several of the fraudulent artworks having come to Manhattan for  
4 inspection by various victims, or potential victims, as well as  
5 meetings between Mr. Re and potential victims that occurred in  
6 Manhattan.

7 With respect to interstate wires and its connection to  
8 venue as well --

9 THE COURT: Yes.

10 MR. ADAMS: -- Mr. Re caused wires to be sent from  
11 Colorado and outside of New York to a representative of a  
12 potential victim here in Manhattan in furtherance of the  
13 scheme.

14 THE COURT: All right. Mr. Re, did you, in fact, meet  
15 with one of the victims or potential victims in Manhattan in  
16 connection with this criminal activity?

17 THE DEFENDANT: Not that I recall, your Honor.

18 MS. MIRON: Just one moment, your Honor.

19 THE COURT: Yes.

20 MS. MIRON: Just one moment.

21 THE COURT: Take your time.

22 (Pause)

23 MS. MIRON: Your Honor, I just had to clarify some  
24 facts with the government, but yes, Mr. Re is prepared to talk  
25 about the meeting.

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1 THE DEFENDANT: There was a meeting in Manhattan, but  
2 it wasn't run by me, but it was concerning the Pollacks.

3 THE COURT: Were you present during the meetings?

4 THE DEFENDANT: The first meeting, no, I was not.

5 THE COURT: Was there a second meeting?

6 THE DEFENDANT: There was a second meeting done by  
7 Steve Fisher Security's guy -- man, and I was present during  
8 that meeting.

9 THE COURT: All right. And that was in Manhattan?

10 THE DEFENDANT: Yes, I was there with Leo Mangan.

11 THE COURT: All right. And in connection with one of  
12 the victims, did you cause an e-mail to be sent from someplace  
13 in Colorado into New York regarding the transactions?

14 THE DEFENDANT: Leo Mangan is from Colorado, and we  
15 have e-mailed each other a lot.

16 THE COURT: All right. Okay. And that was in  
17 connection with this criminal scheme?

18 THE DEFENDANT: Yes.

19 THE COURT: All right. Does the government agree  
20 there's a sufficient factual predicate for a plea of guilty?

21 MR. ADAMS: There is, your Honor. I do agree. There  
22 is one further relatively unusual provision in the plea  
23 agreement that is a factual stipulation. I believe that what  
24 Mr. Re has allocuted to satisfies that portion of the plea  
25 agreement as well, but I'd just like to put the stipulation in

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1 the record to confirm that.

2 The stipulations are as follows, that at no time has  
3 Mr. Re ever discovered or sold any work of art found in the  
4 basement of the home formerly belonging to George and Barbara  
5 Schulte; and that he knowingly and fraudulently fabricated the  
6 provenance for every work of art for which he claimed that the  
7 provenance included prior ownership by George or Barbara  
8 Schulte. Thank you, your Honor.

9 THE COURT: Mr. Re, those statements that the  
10 government prosecutor just read, are they correct?

11 THE DEFENDANT: Yes.

12 THE COURT: And do you agree to them?

13 THE DEFENDANT: Yes.

14 THE COURT: All right. Does defense counsel agree  
15 that there's a sufficient factual predicate for a plea of  
16 guilty in this case?

17 MS. MIRON: Yes.

18 THE COURT: Does defense counsel agree that there is a  
19 basis for venue in this case?

20 MS. MIRON: Yes.

21 THE COURT: Does defense counsel agree that the  
22 interstate wire requirement is satisfied in this case and the  
23 interstate commerce requirement?

24 MS. MIRON: Yes.

25 THE COURT: All right. Mr. Re, do you have any

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1 questions for me?

2 THE DEFENDANT: No, sir.

3 THE COURT: With regard to the charge in Count One of  
4 the indictment, how do you plead, guilty or not guilty?

5 THE DEFENDANT: Guilty.

6 THE COURT: With regard to the forfeiture allegations  
7 in paragraphs 2 and 3 of the indictment, do you admit those  
8 allegations, or do you deny those allegations?

9 THE DEFENDANT: I admit them.

10 THE COURT: Based upon your responses to my questions  
11 and my observations of your demeanor, I find that you know your  
12 rights, you know the consequences of pleading guilty, and  
13 there's a factual basis for your plea of guilty. Your plea of  
14 guilty and your admission of the forfeiture allegations are  
15 accepted.

16 Further, I find that the plea agreement was knowingly  
17 and voluntarily entered into, and specifically that you  
18 knowingly and voluntarily entered into the waiver provision  
19 which waives your right to appeal or collaterally attack a  
20 sentence under certain circumstances.

21 I will order a presentence investigation and report  
22 and direct that no interview of you take place unless your  
23 lawyer is present. It's important you be candid and truthful  
24 with the people who prepare the presentence report. Tell them  
25 the good things and the not-so-good things. The report will be

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1 important in my decision on sentencing.

2 Before the day of sentencing, you will have the  
3 opportunity to review the report. I urge you to go through it  
4 carefully. If there are any mistakes, point them out to your  
5 lawyer so that she can point them out to me. Sentencing in  
6 this case is set for April 10th, 2015, at 2:00 p.m. Any  
7 objection to bail continuing until sentencing?

8 MR. ADAMS: No objection, your Honor.

9 THE COURT: All right. Mr. Re, you must be present  
10 for sentencing on April 10th, 2015, at 2:00 p.m. or any adjourn  
11 date of the sentencing, or you will be guilty of a separate  
12 crime, bail jumping, and subject to imprisonment for up to five  
13 years and a \$250,000 fine, in addition to any punishment that  
14 you would receive for the crime for which you've just pled  
15 guilty. Do you understand that, sir?

16 THE DEFENDANT: Yes.

17 THE COURT: All right. Anything further from the  
18 government?

19 MR. ADAMS: No, your Honor. Thank you.

20 THE COURT: From the defendant?

21 MS. MIRON: No, your Honor. Thank you.

22 THE COURT: Thank you all very much.

23 (Adjourned)  
24  
25